

VZCZCXRO6643
PP RUEHCN
DE RUEHKO #1691/01 0890752
ZNR UUUUU ZZH
P 300752Z MAR 06
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 0348
INFO RUEHOO/CHINA POSTS COLLECTIVE
RUEHSS/OECD POSTS COLLECTIVE
RUEHKL/AMEMBASSY KUALA LUMPUR 1641
RUEHFK/AMCONSUL FUKUOKA 5413
RUEHNAG/AMCONSUL NAGOYA 5420
RUEHNH/AMCONSUL NAHA 8046
RUEHOK/AMCONSUL OSAKA KOBE 8570
RUEHKS/AMCONSUL SAPPORO 6597
RUEHBS/USEU BRUSSELS
RUCPDO/USDOC WASHDC
RUEHGV/USMISSION GENEVA 2802

UNCLAS SECTION 01 OF 02 TOKYO 001691

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E.O. 12958: N/A
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SUBJECT: DUSTR BHATIA CUTS STRAIGHT TO THE BEEF

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SENSITIVE BUT UNCLASSIFIED -- PLEASE PROTECT ACCORDINGLY

Summary

1. (SBU) The United States is looking for an early resumption of beef imports to Japan. That was the message Deputy U.S. Trade Representative Karan Bhatia conveyed during March 20 meetings in Tokyo. While underscoring that U.S. beef is safe, in separate meetings he told Vice Ministers at the Foreign, Trade, and Agriculture ministries, and the Assistant Cabinet Chief Secretary in the Prime Minister's office that the political climate in Washington was growing more difficult. If the beef ban were still in place in mid-April when Congress returns from recess, the issue could severely affect the bilateral relationship. DUSTR Bhatia also delivered the same message to Parliamentary Vice Minister Shiozaki. The Japanese reply was mixed, with Deputy Foreign Minister Mitoji Yabunaka stressing that the Japanese understand the politics and want the problem solved and out of the way, while Vice Agriculture Minister Hiroyuki Kinoshita pointed to the need for caution. End Summary.

Deputy Foreign Minister Wants Quick Resolution

2. (SBU) In Tokyo to cover a range of topics with his Japanese counterparts (septel), DUSTR Karan Bhatia urged the GOJ to move as quickly as possible to end the ban on U.S. beef that was re-imposed in January. He told senior GOJ officials that the problem was extremely sensitive in Washington. The Congressional drums were beating "louder and louder," and if beef were not resolved soon the issue would become a big impediment to better economic cooperation. Deputy Foreign Minister Yabunaka told Bhatia that the Koizumi Government well understood the dangers of letting this problem drag on. The government was very much engaged in trying to find a solution. A senior-level discussion on the

topic had taken place at the Prime Minister's office earlier on March 20 and participants understood the urgency of the matter.

13. (SBU) Yabunaka pointed to a meeting of experts that the two sides have scheduled for March 28 and said the climate to make more progress should only get better in coming weeks. A big hindrance has been the Diet's consideration of the annual budget, but this issue should melt away after it is passed by the upper house, presumably on March 27. The Prime Minister, Yabunaka said, was well aware that the beef ban could erode the good relations that Japan enjoys with the United States. Koizumi, however, must be very careful to navigate the domestic political landmines in Japan over the issue. Koizumi "doesn't want to antagonize housewives," the Vice Foreign Minister quipped. Yabunaka claimed to have good relations with Agriculture Minister Nakagawa, and has stressed with him the importance of moving in a timely way to solve the issue. Nakagawa gets it, he suggested.

Agriculture Ministry Urges Cautious Approach

14. (SBU) At the Agriculture Ministry, Vice Minister Kinoshita was very cordial but, in contrast to Yabunaka, did not try to look forward leaning in identifying a road map for lifting the ban more quickly. The procedures the U.S. put in place last fall to resume trade with Japan did not work, he noted. The two sides first need to sort out what went wrong. Japan has posed for the U.S. Agriculture Department questions concerning how in January banned beef products entered Japan in violation of the bilateral agreement. The U.S. replies were only just delivered to the GOJ on March 18 and Kinoshita said he had not had a chance to review them. When Bhatia pressed the Vice Minister on the need for a clear time line for reopening the market, Kinoshita pushed back. He hoped next week's experts level meeting, set for Tokyo,

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would be a success, but reminded Bhatia what Agriculture Minister Nakagawa had said to the Diet recently: haste makes waste.

Koizumi's Advisor

15. (SBU) At the Prime Minister's Office, Assistant Chief Cabinet Secretary Hiroyasu Ando reviewed with Ambassador Bhatia the major bilateral issues between the United States and Japan, including beef. The Prime Minister understood that the beef ban was hurting the relationship. Ando added that it was important now to keep "consumer confidence" in mind as the two sides work out this issue. Bhatia stressed the importance of not letting beef linger as a problem because it would get in the way of the broader relationship. The two sides need to work hard in coming weeks to resolve the issue quickly.
DONOVAN